VZCZCXYZ0001
PP RUEHWEB

DE RUEHMU #0921 2651341
ZNR UUUUU ZZH
P 221341Z SEP 09
FM AMEMBASSY MANAGUA
TO RUEHC/SECSTATE WASHDC PRIORITY 4578
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC

UNCLAS MANAGUA 000921

SENSITIVE
SIPDIS

STATE FOR WHA/CEN, EB/IFD/OIA, AND L/CID
STATE ALSO FOR WHA/EPSC

E.O. 12958: N/A
TAGS: ECON EINV NU
SUBJECT: NICARAGUA: GON CONFISCATES U.S. CITIZEN PROPERTY

REFS: A) MANAGUA 537, B) 08 MANAGUA 1546, C) MANAGUA 902

SUMMARY

¶1. (SBU) In March 2009, U.S. citizen Lidia Mayorga received information that the Government of Nicaragua (GON) had confiscated her property and offered her indemnification bonds (BPIs) as compensation. The Attorney General's Office claims that the law allows the GON to settle her case -- even though it is a dispute between private parties -- because her property had been transferred legally to the occupant. Mrs. Mayorga will not accept the government's settlement offer and is concerned that the GON will not afford her due proces. The GON's handling of this case is yet another example of GON efforts to compel U.S. claimants to accept compensation without negotiation, and use any legal mechanism at its disposal to defend its action. It also illustrates another troubling trend, the involvement of the Attorney General's Office in private property disputes.

GON CONFSICATES U.S. CITIZEN PROPERTY

¶2. (SBU) In March 2009, the Attorney General's Office notified U.S. citizen Lydia Mayorga that her property had been confiscated and she would receive BPIs worth 395,000 cordobas, approximately $19,242, as compensation (Ref A). Mrs. Mayorga owns an 18,244 square foot property in an upscale neighborhood of Managua. She bought the property in March 1992, but a religious organization claims to have occupied it since 1979. Representatives of the Monsignor Oscar Arnulfo Romero Spiritual Center (CEMOAR) also assert that the Nicaraguan Real Estate Corporation (CONIBIR) sold CEMOAR the property in 1982 and that the Nicaraguan Housing Agency (BAVINIC) issued it a title in 1993. Between 1995 and 2002, Mrs. Mayorga negotiated with CEMOAR to settle the property dispute, but they never reached an agreement. During that period, Mrs. Mayorga did not file a property claim with the government because this was a private dispute and her land had not been confiscated by the first Sandinista government of the 1980s.

¶3. (SBU) In April, Emboff raised Mrs. Mayorga's case with GON officials. On May 5, the Attorney General's Office informed the Embassy that Mrs. Mayorga's case had been resolved according to Law 278 (1997). GON officials explained that the law allows the government to offer compensation to property owners whose land and homes were transferred to beneficiaries of Laws 85 (1990) and 86 (1990), also known as the Pinata Laws (Ref B). There is no evidence, however, that CEMOAR was a beneficiary under the Pinata laws. [Note: These laws were passed on the eve of the departure of the first Sandinista government to provide titles to supporters who occupied property illegally. End note.] On July 9, the Ambassador wrote Attorney General Hernan Estrada to seek clarification regarding his role in the property dispute given that it was a private matter and Mrs. Mayorga's land had not been previously confiscated by the government.

CLAIMANT INTENDS TO KEEP FIGHTING

¶4. (SBU) On August 21, Mrs. Mayorga's legal representative told us that she will not accept the government's settlement offer. Although she would like to recover her property, she is willing to accept fair compensation for the loss of her land. Mrs. Mayorga intends to pursue a resolution of her case with the government or in court, but she is concerned that the GON will not afford her due process.

COMMENT

¶5. (SBU) The GON's confiscation of U.S. citizen property without affording due process is a step backward in our efforts to work with the government to resolve claims and land disputes. This case is yet another example of the GON's efforts to compel U.S. claimants to accept compensation without negotiation, and use any legal mechanism at its disposal to defend its action (Ref C). It also illustrates another troubling trend, the involvement of the Attorney General's Office in private property disputes.

CALLAHAN